



DEPARTMENT OF HEALTH & HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES
REGION IX

75 Hawthorne Street
Suite 408
San Francisco, CA 94105

DEC 13 2002

Phyllis Biedess, Director
Arizona Health Care Cost Containment System
801 E. Jefferson
Phoenix, AZ 85034

Dear Ms. Biedess:

Enclosed is an approved copy of Arizona State plan amendment (SPA) 02-005, which implements coverage of the optional eligibility groups created by the Ticket to Work and Work Incentives Improvement Act of 1999. I am approving this SPA with the requested effective date of January 1, 2003.

If you have any questions, please have your staff contact Ronald Reepen at (415) 744-3601.

Sincerely,

Linda Minamoto
Associate Regional Administrator
Division of Medicaid

Enclosure

cc:
Joan Peterson, CMS, CMSO, FCHPG
Elliot Weisman, CMS, CMSO, PCPG (two copies)

AHCCCS/RECEIVED
DIRECTOR'S OFFICE
02 DEC 23 PM 3:08

Xc: PB/TB/CS
Lynn W.

Orig. Barb Ledder

Revision: HCFA-PM-91-4 (BPD)
August 1991

OMB No. 0938-

State: ARIZONA

Citation

2.5 Disability

42 CFR
435.121,

A. All of the requirements of 42 CFR 435.540 and 435.541 are met. The State uses the same definition of disability as the SSI program unless a more restrictive definition of disability is specified in Item A.13.b. of ATTACHMENT 2.2-A of this plan.

435.540(b)
435.541 (WAIVER*)

* B. In accordance with the waiver, approved June 27, 1995, disability of SSI eligible children under the age of 18 who apply for ALTCS shall be determined using the ALTCS Preadmission Screening instrument, to the extent that this would not result in an individual being denied eligibility who would otherwise be eligible.

C. Except for TWWIA Basic Coverage Group and TWWIA Medical Improvement Group the following provisions apply to an AHCCCS applicant who is determined seriously mentally ill (SMI) by the Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS):

1. The determination of seriously mentally ill by ADHS/DBHS meets all requirements of subsection A, and;
2. Determinations by ADHS/DBHS that an otherwise eligible applicant is disabled and (a) unable to live in an independent or family setting without supervision, or (b) is at risk of serious harm to self or others will be reviewed on a sample basis by the Arizona Department of Economic Security/Disability Determination Services Administration (ADES/DDSA) to assure consistency with A.
3. Determinations by ADHS/DBHS that an otherwise eligible applicant is disabled and has (a) dysfunction in role performance or (b) is at risk of deterioration without treatment will be considered presumptive disability determinations that will be reviewed in all cases for consistency with A by ADES/DDSA following approval for Medicaid if otherwise eligible.
4. The date of the determination by ADHS/DBHS will be the date for compliance purposes under 42 CFR 435.911.

TN No. 02-005
Supersedes
TN No. 01-007

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Revision: HCFA-PM-97-2
December 1997

SUPPLEMENT 12a TO ATTACHMENT 2.6-A
Page 1
OMB No.: 0938-0673

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

VARIATIONS FROM THE BASIC PERSONAL NEEDS ALLOWANCE

Individuals who have received institutional services less than 30 days: \$1,635 (allowed by waiver)

Individuals receiving HCBS: \$1,635 (as allowed by 42 CFR 435.726 and the 1115 waiver which allows the State to provide HCBS to individuals whose income does not exceed 300% of SSI.)

Individuals who have received institutional services for 30 days and are in the TWWIA Basic Coverage or Medical Improvement Group identified in Sections #24 and #25 on ATTACHMENT 2.2-A, page 23d shall have the personal needs allowance increased by 50 percent of the individual's earned income.

Revision:

ATTACHMENT 2.2-A

PAGE 23d

OMB NO.:

State/Territory: Arizona

Citation

Groups Covered

B. Optional Groups Other Than the Medically Needy
(Continued)

1902(a)(10)(A)
(ii)(XIII) of the Act

☐

23. BBA Work Incentives Eligibility Group - Individuals with a disability whose net family income is below 250 percent of the Federal poverty level for a family of the size involved and who, except for earned income, meet all criteria for receiving benefits under the SSI program. See page 12c of Attachment 2.6-A

1902(a)(10)(A)
(ii)(XV) of the Act

☒

24. TWWIIA Basic Coverage Group - Individuals with a disability at least 16 but less than 65 years of age whose income and resources do not exceed a standard established by the State. See page 12d of Attachment 2.6-A.

1902(a)(10)(A)
(ii)(XVI) of the Act

☒

25. TWWIIA Medical Improvement Group - Employed individuals at least 16 but less than 65 years of age with a medically improved disability whose income and resources do not exceed a standard established by the State. See page 12h of Attachment 2.6-A.
NOTE: If the State elects to cover this group, it MUST also cover the Basic Coverage Group described in no. 24 above.

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Revision:

ATTACHMENT 2.6-A

Page 12c

OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XIII) of the Act	(i) Working Individuals with Disabilities - BBA In determining countable income and resources for working individuals with disabilities under the BBA, the following methodologies are applied: ____ The methodologies of the SSI program. ____ The agency uses methodologies for treatment of income and resources more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 4 (income) and/or Supplement 5 (resources) to Attachment 2.6-A. ____ The agency uses more liberal income and/or resource methodologies than the SSI program. More liberal methodologies are described in Supplement 8a to Attachment 2.6-A. More liberal resource methodologies are described in Supplement 8b to Attachment 2.6-A.

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ATTACHMENT 2.6-A

Page 12d

OMB No.:

State/Territory: Arizona

Citation		Condition or Requirement
1902(a)(10)(A) (ii)(XV) of the Act	(ii)	<p>Working Individuals with Disabilities - Basic Coverage Group - TWWIIA</p> <p>In determining financial eligibility for working individuals with disabilities under this provision, the following standards and methodologies are applied:</p> <p><input type="checkbox"/> The agency does not apply any income or resource standard.</p> <p>NOTE: If the above option is chosen, no further eligibility-related options should be elected.</p> <p><input checked="" type="checkbox"/> The agency applies the following income and/or resource standard(s):</p> <p>Income limit is at or below 250% of FPL and there is no resource limit.</p>

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OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XV) of the Act (cont.)	<u>Income Methodologies</u> In determining whether an individual meets the income standard described above, the agency uses the following methodologies. <input type="checkbox"/> The income methodologies of the SSI program. <input type="checkbox"/> The agency uses methodologies for treatment of income that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 4 to Attachment 2.6-A. <input checked="" type="checkbox"/> The agency uses more liberal income methodologies than the SSI program. More liberal income methodologies are described in Supplement 8a to Attachment 2.6-A.

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ATTACHMENT 2.6-A

Page 12f

OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XV) of the Act (cont.)	Resource Methodologies

In determining whether the individual meets the resource standard described above, the agency uses the following methodologies.

Unless one of the following items is checked the agency, under the authority of section 1902(r)(2) of the Act, disregards all funds held in retirement funds and accounts, including private retirement accounts such as IRAs and other individual accounts, and employer-sponsored retirement plans such as 401(k) plans, Keogh plans, and employer pension plans. Any disregard involving retirement accounts is separately described in Supplement 8b to Attachment 2.6-A.

_____ The agency disregards funds held in employer-sponsored retirement plans, but not private retirement plans.

_____ The agency disregards funds in retirement accounts in a manner other than those described above. The agency's disregards are specified in Supplement 8b to Attachment 2.6-A.

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OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
1902(a)(10)(A) _____ (ii)(XV) of the Act (cont.)	<p><input type="checkbox"/> The agency does not disregard funds in retirement accounts.</p> <p><input type="checkbox"/> The agency uses resource methodologies in addition to any indicated above that are more liberal than those used by the SSI program. More liberal resource methodologies are described in Supplement 8b to Attachment 2.6-A.</p> <p><input type="checkbox"/> The agency uses the resource methodologies of the SSI program. The agency uses methodologies for treatment of resources that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 5 to Attachment 2.6-A.</p> <p><input checked="" type="checkbox"/> No resource test is imposed.</p>

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Revision:

ATTACHMENT 2.6-A
Page 12h
OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XVI) of the Act	(iii) <u>Working Individuals with Disabilities - Employed Medically Improved Individuals - TWWIIA</u>

In determining financial eligibility for employed medically improved individuals under this provision, the following standards and methodologies are applied:

☐ The agency does not apply any income or resource standard.

NOTE: If the above option is chosen, no further eligibility-related options should be elected.

☒ The agency applies the following income and/or resource standard(s):

Income limit is at or below 250% of FPL and there is no resource limit.

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Page 12i

OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XVI) of the Act (cont.)	<u>Income Methodologies</u>

In determining whether an individual meets the income standard described above, the agency uses the following methodologies.

- ☐ The income methodologies of the SSI program.
- ☐ The agency uses methodologies for treatment of income that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 4 to Attachment 2.6-A.
- ☒ The agency uses more liberal income methodologies than the SSI program. More liberal methodologies are described in Supplement 8a to Attachment 2.6-A.

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Page 12j

OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XVI) of the Act (cont.)	<u>Resource Methodologies</u>

In determining whether the individual meets the resource standard described above, the agency uses the following methodologies.

Unless one of the following items is checked the agency, under the authority of section 1902(r)(2) of the Act, disregards all funds held in retirement funds and accounts, including private retirement accounts such as IRAs and other individual accounts, and employer-sponsored retirement plans such as 401(k) plans, Keogh plans, and employer pension plans. Any disregard involving retirement accounts is separately described in Supplement 8b to Attachment 2.6-A.

_____ The agency disregards funds held in employer-sponsored retirement plans, but not private retirement plans.

_____ The agency disregards funds in retirement accounts in a manner other than those listed above. The agency's disregards are specified in Supplement 8b to Attachment 2.6-A.

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Page 12k

OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
1902(a)(10)(A) _____ (ii)(XVI) of the Act (cont.)	<p><input type="checkbox"/> The agency does not disregard funds in retirement accounts.</p> <p><input type="checkbox"/> The agency uses resource methodologies in addition to any indicated above that are more liberal than those used by the SSI program. More liberal resource methodologies are described in Supplement 8b to Attachment 2.6-A.</p> <p><input type="checkbox"/> The agency uses the resource methodologies of the SSI program.</p> <p><input type="checkbox"/> The agency uses methodologies for treatment of resources that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 5 to Attachment 2.6-A.</p> <p><input checked="" type="checkbox"/> No resource test is imposed.</p>

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Page 12I

OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XVI) and 1905(v)(2) of the Act	<u>Definition of Employed - Employed Medically Improved Individuals - TWWIIA</u> <input type="checkbox"/> The agency uses the statutory definition of "employed", i.e., earning at least the minimum wage, and working at least 40 hours per month. <input checked="" type="checkbox"/> The agency uses an alternative definition of "employed" that provides for substantial and reasonable threshold criteria for hours of work, wages, or other measures. The agency's threshold criteria are described below: <ol style="list-style-type: none">1. Earns at least the minimum wage and works at least 40 hours per month, or2. Has gross monthly earnings at least equal to those earned by an individual who is earning the minimum wage and working 40 hours per month.

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OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
1902(a)(10)(A)(ii)(XIII), (XV), (XVI), and 1916(g) of the Act	<u>Payment of Premiums or Other Cost Sharing Charges</u> For individuals eligible under the BBA eligibility group described in No. 23 on page 23d of Attachment 2.2-A: _____ The agency requires payment of premiums or other cost-sharing charges on a sliding scale based on income. The premiums or other costsharing charges, and how they are applied, are described below:

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Page 12n

OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
1902(a)(10)(A)(ii)(XIII), (XV), (XVI), and 1916(g) of the Act (cont.)	<p>For individuals eligible under the Basic Coverage Group described in No. 24 on page 23d of Attachment 2.2-A, and the Medical Improvement Group described in No. 25 on page 23d of Attachment 2.2-A:</p> <p>NOTE: Regardless of the option selected below, the agency MUST require that individuals whose annual adjusted gross income, as defined under IRS statute, exceeds \$75,000 pay 100 percent of premiums.</p> <p><u>X</u> The agency requires individuals to pay premiums or other cost-sharing charges on a sliding scale based on income. For individuals with net annual income below 450 percent of the Federal poverty level for a family of the size involved, the amount of premiums cannot exceed 7.5 percent of the individual's income.</p> <p>The premiums or other cost-sharing charges, and how they are applied, are described on page 12o.</p>

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Page 12o

OMB No.:

State/Territory: Arizona

Citation	Condition or Requirement
Sections 1902(a)(10)(A) (ii)(XV), (XVI), and 1916(g) of the Act (cont.)	<p><u>Premiums and Other Cost-Sharing Charges</u></p> <p>For the Basic Coverage Group and the Medical Improvement Group, the agency's premium or other cost-sharing charges, and how they are applied, are described below.</p> <ol style="list-style-type: none">1. For a member living in a community setting and with countable income:<ol style="list-style-type: none">a. Under \$500, the monthly premium payment shall be \$0.b. Over \$500 but not greater than \$750, the monthly premium payment shall be \$10.2. The premium for a member living in a community setting shall be increased by \$5 for each \$250 increase in countable income above \$750.3. For a member living in an institution, the monthly premium payment shall be \$0.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

MORE LIBERAL METHODS OF TREATING INCOME UNDER SECTION 1902(r)(2) OF THE ACT*

 Section 1902(f) State

 X Non-Section 1902(f) State

- I. The following income method applies to individuals covered in Section 1905(p) of the Act (QMB, SLMB, QI-1, and QI-2) and in Section 1902(a)(10)(A)(ii)(I) of the Act (SSI Non Cash).

The State shall follow SSI computation rules with following exceptions:

- For an applicant or recipient living with a spouse, the computation rules for an eligible couple shall be followed, even when the spouse is not eligible for or applying for SSI or Medicaid benefits.
- For a couple living with a child** (or children), a deduction from the combined net income of the couple shall be allowed as an allocation for each child using the methodology described in 20 CFR 416.1163(b)(1) and (2) regardless of whether the child is ineligible or eligible. The child's allocation is reduced by that child's income [20CFR 416.1161(c)], including public income-maintenance payments.
- For an applicant/recipient not living with a spouse but living with his or her child** (or children), a deduction from the individual's net income shall be allowed as an allocation for each child using the methodology described in 20 CFR 416.1163(b)(1) and (2), regardless of whether the child is ineligible or eligible. The child's allocation is reduced by that child's income [20 CFR 416.1161(c)], including public income-maintenance payments.
- For an applicant/recipient who is a child, the deemed income from an ineligible parent shall allow an allocation for both eligible and ineligible children of the parent(s) using the methodology described in 20 CFR 416.1165(b). The child's allocation is reduced by that child's income [20 CFR 416.1161(c)], including public income-maintenance payments.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

- II. Except for ALTCS eligibility, including individuals approved for ALTCS acute care services under 1902(a)(10)(A)(ii)(I) of the Act, the following income method applies to aged, blind or disabled individuals covered under 1902(a)(10)(A)(ii)(I) of the Act.

The State shall disregard the amount equal to the difference between 100% of the Federal poverty guidelines (as revised annually in the Federal Register) for an individual or a couple and the corresponding Federal Benefit Rate. (The disregard shall be applied by using 100% of the FPL for an individual or a couple as the income standard.)

When applying this disregard, if the individual or the individual's spouse has earned income, the \$20 and \$65 disregards shall apply according to SSI methodology, but not one-half of the remainder. If ineligible because the one-half of the remainder disregard is not allowed, eligibility shall also be determined using the FBR as the income standard for the individual or couple, allowing the \$20, \$65, and one-half of the remainder disregard according to SSI methodology.

- III. The following income method applies to TWWIA individuals covered in Sections #24 and #25 on ATTACHMENT 2.2-A, page 23d under 1902(a)(10)(A)(ii)(XV) and (XVI) of the Act. The State shall follow SSI computation rules with the following exceptions:

- The State shall disregard the unearned income of the applicant/recipient.
- The State shall disregard the earned and unearned income of the spouse and/or any other family members including a deduction for a minor child.

* More liberal methods may not result in exceeding income limitations under section 1903(f)

** A child is a person, as defined in 20 CFR 416.1856, who is a natural child or adopted child of the applicant/recipient or his or her spouse.

3. The following resource methodology applies to individuals covered in Section 1902(a)(10)(A)(ii)(IV) and (V).

Rather than performing resource determinations as of the first moment of the month, resource determinations may be made at any time during the month. If the individual's resources are within the resource limit at any time during the month, the individual will be eligible for the entire calendar month.

4. The following resource methodology applies to individuals covered in Section 1902(a)(10)(A)(ii)(V) and 1902(a)(10)(E)(i).

Disregard the value of payments refunded by a nursing facility to an individual who is entitled to medical assistance for nursing facility services as required by Section 1919(c)(5) of the Social Security Act for a period of six months beginning the month the refund is received. However, transfer penalties will apply if a refund is transferred without receipt of adequate compensation.

5. Except for ALTCS eligibility, including individuals approved for ALTCS acute care services under 1902(a)(10)(A)(ii)(I) of the Act, the following resource methodology applies to individuals described in 1902(a)(i) and (ii) who are covered under 1902(a)(10)(A)(ii)(1) i.e. Ribicoff children, 18 year old students and caretaker relatives.

All resources shall be excluded.

6. The following resource methodology applies to TWWIA individuals covered in Sections #23 and #25 on ATTACHMENT 2.2-A, Page 23d under 1902(a)(10)(A)(ii)(XV) and (XVI) of the Act:

All resources shall be excluded.